

EXHIBIT F

INVESTMENT CRITERIA

SECTION 1 - Purpose

Investment Criteria have been established to create the principles and procedures by which the funds of the Pool shall be invested and secured and to comply with the provisions of the of Indiana law relating to the investment of public funds in the Pool (the “Investment Laws”). As of the effective date of the general provisions of IC §5-13 govern the Pool, with the specific provisions, IC §§5-13-4-7, 5-13-9-11, 5-13-10.5, and 5-13-12-1, possessing direct relevance to the maintenance, administration and investment of the Pool.

SECTION 2 – Procedures For Investment of Pool Monies

(a) Qualified Broker/Dealers

The list of qualified broker/dealers that may engage in investment transactions with respect to the Pool is listed in the Qualified Broker/Dealer List attached to these Investment Criteria as Schedule 1. The Qualified Broker/Dealer List may be amended and updated by the Treasurer, from time to time, separate from or as a part of these Investment Criteria.

(b) Solicitation of Bids for Certificates of Deposit.

Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods. A record of such bids shall be maintained by the Treasurer or any Investment Advisor.

(c) Settlement Basis.

All purchases of investments, except investment in mutual funds or bank deposits, shall be made on a delivery versus payment basis. The safekeeping entity for all Pool investments and for all collateral pledged to secure funds of the Pool shall be the Custodian.

SECTION 3 – General Provisions

(a) Provisions Applicable to All Funds.

(i) All funds of the Pool shall be invested only in accordance with these Investment Criteria and the Investment Laws, both as amended from time to time.

(ii) The funds of the Pool shall be invested not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the following objectives in order of priority: (a) preservation and safety of principal; (b) liquidity; and (c) yield.

(iii) The Pool shall at all times maintain a prudent diversification of its investment portfolio among eligible asset classes, except for the statutory requirement that no less than 50 percent of the Pool assets must be in Indiana bank deposit accounts. This statutory deposit requirement shall be complied with in the most prudent manner possible by considering the creditworthiness of the depositories and the cash concentration of the Pool deposited in the same. The following shall be the investment concentrations for any one issuer: counterparties rated A1+/P1 may hold no more than 40 percent of the overall portfolio and counterparties rated A1/P1 may hold no more than 25 percent of the overall portfolio.

(b) Policy Applicable to All Deposited Funds of the Pool.

As required by Indiana Code 5-13-9-11, no less than 50 percent of the funds available for investment in the Pool must be deposited in banks and in accordance with Indiana Code 5-13. The Treasurer shall cause to be created an approved Pool bank deposit list. These depositories must be on an approved depository list maintained by the Indiana Board for Depositories. The Pool approved bank deposit list will be reviewed and approved on a quarterly basis by the Treasurer's office. The approved buy list shall include only banks maintaining a short-term credit rating of at least A1/P1 from at least two nationally recognized rating agencies. The list shall include the findings of the credit group and risk management departments of the Investment Advisor managing the Bank Portfolio. The list shall identify the banks current credit rating and, if applicable, whether the institution is on credit watch. In the case of a negative credit watch, the report should include what actions are recommended, i.e., removal from approved list or continued monitoring.

Maximum maturity of any bank deposit product shall be seven days. There shall be no restrictions on the number of withdrawals or contributions, nor shall there be any fees associated with such withdrawals or contributions of the Pool's funds.

SECTION 4 - Authorized Investments.

(a) Unless specifically prohibited by law or elsewhere by these Investment Criteria this Policy, monies in the Pool may be invested and reinvested only in investments authorized and within the legal limits required by the Investment Laws for the investment of state funds. Although a number of investment options are authorized in Indiana Code §5-13 for state investments, the predominate asset classes that will be considered to comprise the Pool portfolio are:

(i) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by:

- a. The United States Treasury.
- b. A federal agency.
- c. A federal instrumentality.
- d. A federal government sponsored enterprise.

(ii) Securities issued by:

- a. A federal agency.
- b. A federal instrumentality.
- c. A federal government sponsored enterprise.

(iii) Commercial Paper rated in the highest rating category by one (1) nationally recognized rating service with a stated final maturity of no greater than 270 days.

(iv) Repurchase Agreements with Indiana designated depositories, fully collateralized with a perfected security interest in the collateral.

(v) Certificates of Deposit and other deposit accounts with Indiana designated depositories.

(vi) AAA or AAAm rated money market mutual funds comprised of the foregoing.

All the investments in the Pool will have no greater than a two (2) year final stated maturity from the date of investment except for specific exceptions provided for by the Investment Laws.

(b) Prohibition on Margin Accounts

Pursuant to IC §5-13-10.5-6, the Pool may not do the following: (1) Purchase securities on margin; and (2) Open a securities margin account for the investment of public funds.

SECTION 5 - Strategy Applicable to the Pool.

The general investment strategy for the Pool shall be to invest all monies so as to accomplish the following objectives, which are listed in the order of importance:

1. Determination of the legality and suitability of the investment for the Pool and its Participants;
2. Preservation and safety of principal;
3. Liquidity;
4. Diversification of the investment portfolio; and
5. Yield.

All monies shall be invested to meet the cash flow requirements of the Pool as determined by the needs of the Participants. The Pool shall be managed in a SEC Rule 2a7-like manner where possible with recognition of the statutory requirements of the 50 percent deposit requirement and that public fund deposits are insured by both the Federal Deposit Insurance Corporation and the Indiana Public Deposit Insurance Fund

SECTION 6 – Securities Lending.

Securities may be lent only if the agreement under which the securities are lent is collateralized by:

1. cash; or
2. interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United State government, a federal instrumentality, or a federal government sponsored enterprise;

in excess of the total market value of the loaned securities.